

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
	)	
Numbering Resource Optimization	)	CC Docket No. 99-200
	)	

**JOINT COMMENTS  
OF THE  
NATIONAL EXCHANGE CARRIER ASSOCIATION  
AND  
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION**

The National Exchange Carrier Association, Inc. (NECA)<sup>1</sup> and the National Telephone Cooperative Association (NTCA)<sup>2</sup> file these comments in response to the Commission's *Report and Order and Further Notice of Proposed Rulemaking* in the proceeding captioned above.<sup>3</sup> In the *Report and Order* section of this proceeding, the Commission adopts administrative and technical measures intended to promote access to,

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<sup>1</sup> NECA is a not-for-profit, membership association, created under subpart G of the Commission's rules. See generally 47 C.F.R. § 69.601 *et seq.* Since 1983, NECA has administered key components of the Commission's interstate access charge plan on behalf of the Commission and the telecommunications industry.

<sup>2</sup> NTCA is a national association of over 500 local exchange carriers that provide service primarily in rural areas. All NTCA members are small carriers that are defined as "rural telephone companies" in the Telecommunications Act of 1996 (Act). 47 U.S.C. § 153(37). Approximately half of NTCA's members are organized as cooperatives.

<sup>3</sup> See Numbering Resource Optimization, *Report And Order And Further Notice of Proposed Rulemaking*, CC Docket No. 99-200, FCC 00-104, rel. Mar. 31, 2000 (FNPRM).

and the efficient use of, numbering resources nationwide, by all service providers.<sup>4</sup> In the *FNPRM* section, the Commission seeks comments on, among other things, which thousand-block number pooling (TBNP) costs will be eligible for recovery as carrier-specific costs.

**I THE COMMISSION SHOULD ESTABLISH COST RECOVERY RULES THAT ALLOW ALL CARRIERS TO RECOVER THEIR TBNP RELATED COSTS**

In the *Notice of Proposed Rulemaking*<sup>5</sup> in this docket, the Commission explained that TBNP involves three categories of costs: (1) shared industry costs, (2) carrier-specific costs related to TBNP implementation, and (3) carrier-specific costs not directly related to TBNP implementation. The Commission sought to resolve questions of cost recovery for TBNP, but found in that portion of the proceeding, that it did not have sufficient cost data to determine the appropriate cost recovery mechanism. The *FNPRM* thus seeks further comment to assist the Commission in its determination of the appropriate cost recovery rules for carrier-specific costs directly related to TBNP.

NECA and NTCA urge the Commission (as NECA stated in its *Comments* in the *NPRM* phase of this proceeding<sup>6</sup>) to allow TBNP cost recovery via existing cost recovery mechanisms. This would allow rate of return carriers to assign these costs to the interstate jurisdiction, and recover them through interstate access charges. The

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<sup>4</sup> *Id.* ¶¶ 3-5.

<sup>5</sup> See Numbering Resource Optimization, Connecticut Department of Public Utility Control Petition for Rulemaking, *etc.*, CC Docket No. 99-200, *Notice of Proposed Rulemaking*, 14 FCC Rcd 10322 (1999) (*NPRM*) at ¶¶ 1 and 7.

<sup>6</sup> NECA *Comments*, CC Docket 99-200, Jul. 30, 1999 at 2-3.

Commission itself tentatively concluded that this allocation method is preferable to an end user charge.<sup>7</sup> Further, although the Commission stops short of specifying a cost recovery methodology now, nonetheless it notes broad support for its tentative conclusion.<sup>8</sup>

In the instant phase of the proceeding, the Commission has concluded that the shared industry costs of TBNP will be allocated to all telecommunications carriers in proportion to each carrier's interstate, intrastate and international telecommunications revenues.<sup>9</sup> This raises serious concerns for all carriers without an LNP-capable switch, because under the LNP cost recovery rules, once the shared costs of LNP are allocated to each telecommunications carrier, its portion of the shared cost is treated as a "carrier specific cost directly related to providing number portability."<sup>10</sup> The carrier-specific LNP cost recovery rules then state that carriers may recover their shared industry cost from "each end user it serves from a LNP-capable switch outside the 100 largest metropolitan statistical areas, one monthly number-portability charge per line . . ."<sup>11</sup> The

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<sup>7</sup> ("[W]e tentatively conclude that incumbent LECs subject to rate-of-return or price-cap regulation should recover their carrier-specific costs directly related to thousands-block pooling implementation through the existing cost recovery mechanisms of rate-of-return or price-cap adjustments.") *NPRM* at ¶ 204. (Note omitted.)

<sup>8</sup> See *FNPRM* at ¶ 252, citing separate comments of NECA; New Hampshire Commission; New York Commission; and Ohio Commission. ("Several parties agree with the tentative conclusion that thousands-block number pooling costs should not be recovered through a federal charge assessed on end users, but should be recovered through access charges.") Only one commenter, MCI Worldcom, opposes recovery via access charges.

<sup>9</sup> *FNPRM* at ¶ 207

<sup>10</sup> 47 C.F.R. § 52.32(c).

<sup>11</sup> 47 C.F.R. § 52.33 (a)(1)(i).

problem with this rule is that it allows recovery only for carriers with a number-portability switch, but not for carriers that do not need a number-portability-capable switch at this time. This non-LNP-capable carrier, therefore, is forced to contribute to sustain a regional LNP database with absolutely no means of cost-recovery.

Similarly, the FCC considers costs associated with the LNP query service a “carrier-specific cost directly related to providing number portability.”<sup>12</sup> Non-LNP-capable carriers participating in joint local calling arrangements are charged for query services to terminate calls to a NXX that is ported even if they do not have number portability capable switches. Most of these non-LNP carriers have agreements with larger local exchange carriers (LECs) that will provide number portability database query services. These larger LECs apply the FCC’s current LNP cost recovery rules and assess non-LNP-capable carriers a charge for the query service. Despite the fact that non-LNP-capable carriers will incur significant and substantial costs associated with the LNP query service, the current rules prevent these carriers from recovering their LNP related costs.

Although the Commission’s TBNP carrier-specific cost recovery mechanism will be established after it receives more TBNP cost study data, the Commission must be conscious of the fact that non-LNP-capable carriers participating in TBNP areas, and not participating in TBNP areas, will incur shared industry costs for TBNP implementation and TBNP query charges by virtue of the fact that all carriers will be required to route TBNP numbers. The Commission’s carrier-specific cost recovery rules for TBNP

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<sup>12</sup> *Third Report and Order*, ¶ 71.

therefore must provide all carriers the ability to recover TBNP related costs associated with shared industry costs and query charges.<sup>13</sup>

## **II THE COMPONENTS OF TBNP THAT THE COMMISSION SHOULD CONSIDER WHEN ESTABLISHING TBNP COST RECOVERY RULES**

The cost implications for TBNP are very similar to that of LNP because the network infrastructure is virtually identical for both services.<sup>14</sup> Non-LNP-capable carriers that are not in a TBNP area will incur carrier-specific costs directly related to TBNP because non-LNP capable carriers will be required to route calls to pooled numbers which require query dips to the TBNP database made by another carrier to ensure the calls to pooled numbers are routed properly.<sup>15</sup> The RBOC would later charge the rural LEC for the query to the TBNP database, if the Commission adopts a carrier-specific TBNP rule similar to its carrier-specific LNP rules concerning query services.<sup>16</sup>

The FCC should therefore consider the costs associated with the TBNP query-services as a carrier-specific cost directly related to providing TBNP. The FCC's final TBNP recovery rules should not only provide those LECs performing the query service to recover their costs from the carriers who receive the service, but also allow the carriers incurring the query charges from other carriers to recover these TBNP related charges.

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<sup>13</sup> *FNPRM* ¶ 207.

<sup>14</sup> See Attachment 1.

<sup>15</sup> See Attachment 2, an illustrative diagram depicting the call flow of this pooled number from a rural LEC customer through an Regional Bell Holding Company (RBOC) tandem that queries the TBNP database and then routes the call to a competitive local exchange carrier (CLEC)end office switch.

<sup>16</sup> See 47 C.F.R. § 52.33(a)(2).

Unless TBNP rules address the issue of cost recovery of TBNP query charges imposed on carriers by other carriers, in these circumstances, the non-TBNP carriers will not have a mechanism to recover these costs. To avoid such a result, the FCC should allow all carriers to recover TBNP related costs via existing cost recovery mechanisms.

### **III. CONCLUSION**

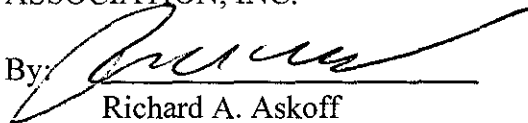
NECA and NTCA urge the Commission to consider all cost components of TBNP and establish a carrier-specific cost recovery mechanism that will allow all carriers to recover their TBNP related costs, including TBNP query charges imposed on carriers by other carriers.

NECA and NTCA agree with the Commission's tentative conclusion that the optimum cost recovery method is not an additional end user charge.<sup>17</sup> Allowing carriers to use existing cost recovery mechanisms to recover TBNP costs would enable LECs to recover these charges via interstate access rates, and would be consistent with the Commission's finding that such costs are wholly interstate.<sup>18</sup>

Respectfully submitted,

NATIONAL EXCHANGE CARRIER  
ASSOCIATION, INC.

By:



Richard A. Askoff

Its Attorney

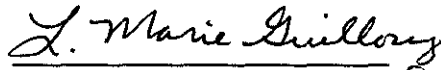
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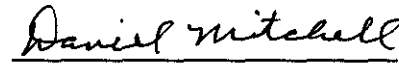
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<sup>17</sup> The Commission has tentatively concluded that "LECs subject to rate-of-return or price cap regulation may not recover their interstate carrier-specific costs directly related with thousands-block number pooling through a federal charge assessed on end-users." *FNPRM* at ¶ 252.

<sup>18</sup> See *FNPRM* at ¶ 197.

## **ATTACHMENT 1**

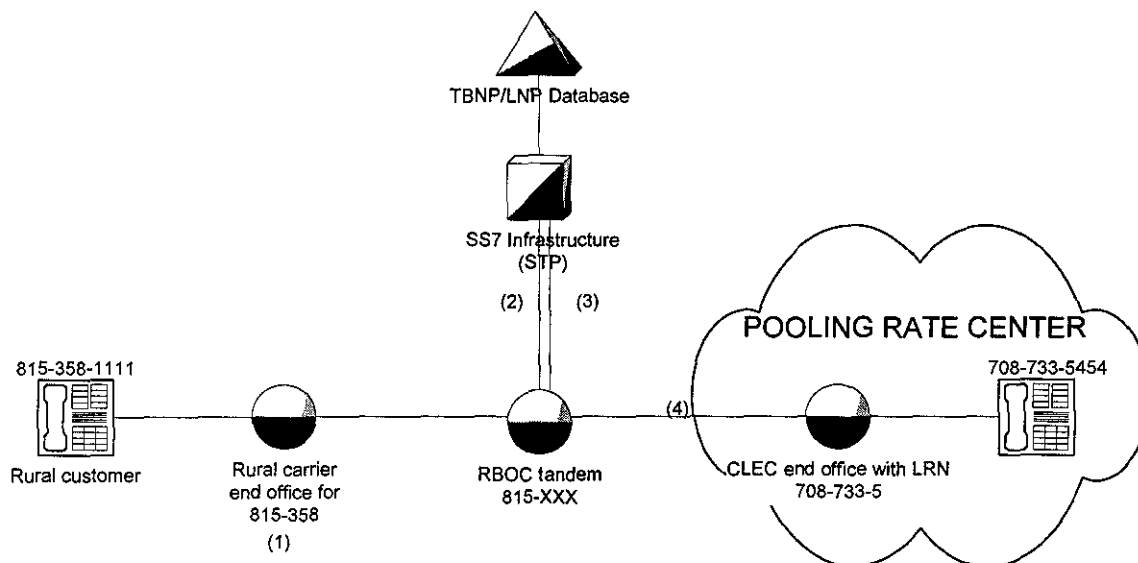
### **Components of Thousands-Block Number Pooling (TBNP) for Consideration by the Commission When Establishing TBNP Cost Recovery Rules**

- **Requirements for Deployment and Implementation of TBNP**
  1. Use of existing local number portability (LNP) technology
  2. Fully functional LNP rate centers
  3. Fully functional thousands-block number pooling rate centers
  4. A Pooling Administrator to manage pools of thousands-block numbers
  5. A NXX code holder for each number within a thousands block of pooled numbers that will default route numbers not yet assigned
  
- **Participants in TBNP**
  1. Pooling Administrator (PA - manages thousands-block pool)
  2. Exchange (NXX) Code Holders (owners of the ten thousand block exchange codes assigned by central office code administrator of the North American Numbering Plan Administrator - NANPA)
  3. Thousands-block Holders (own blocks assigned by PA)
  4. Number Portability Pooling Administration Centers (NPACs - maintain and administer the LNP databases which are also used for number pooling)
  
- **Steps in Acquiring Additional Telephone Numbers Under TBNP**
  1. Carrier determines whether it is in a thousands-block area.
  2. If not in a thousands-block area, carrier applies to the NANPA for numbers in ten-thousand block NXX codes.
  3. If in a thousands-block area, carrier sends request for numbers to the PA.
  4. PA finds an assignable thousands-block of numbers and sets up numbers for porting from the existing NXX code holder to the thousands-block holder.
  5. NPAC then maps the thousands-block of numbers to the local routing number (LRN) of the thousands-block holder/carrier.



## ATTACHMENT 2

### CALL FLOW - TBNP QUERY THROUGH RBOC



- Step (1) Rural customer from 815-358-1111 makes a call to 708-733-5454. This number resides in a rate center that participates in 1000 block pooling. The code owner of 708-733-5 is a CLEC end office. The call is routed to the rural customer's local exchange end office. The rural LEC has NO KNOWLEDGE about the terminating number being a pooled number. It routes the call automatically to the RBOC that it has EAS arrangements with.
- Step (2) RBOC switch has the switch logic and information that 708-733-5454 number is pooled and launches a query to its TBNP database.
- Step (3) The TBNP database returns the Local Routing Number of the switch where the number now resides which in this case is a CLEC end office.
- Step (4) The RBOC switch receives the Local Routing Number from the database and routes to the CLEC end office. The RBOC would later charge the rural LEC for the query to the TBNP database, if the FCC adopts a carrier-specific TBNP cost recovery rule similar to its LNP cost recovery rule, 47 C.F.R. § 52.33

## CERTIFICATE OF SERVICE

I hereby certify that copy of the Comments was served this 19th day of May 2000, by electronic delivery or first class mail, to the persons listed below.

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